

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE DISCLAIMER OF)
AFFILIATION FILING BY T. ROWE PRICE)
ASSOCIATES, INC. REGARDING CERTAIN) PSC DOCKET NO. 16-0711
AFFILIATES OF CHESAPEAKE UTILITIES)
CORPORATION)
(FILED NOVEMBER 11, 2015))

ORDER NO. 8923

AND NOW, this 9th day of August, 2016, the Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on November 11, 2015, pursuant to 26 Del. C. §215(b), T. Rowe Price Associates, Inc. ("Applicant"), filed a "Disclaimer of Control" application seeking Commission approval to beneficially own up to twenty percent of the outstanding voting shares of Chesapeake Utilities Corporation ("Chesapeake Utilities"); and

WHEREAS, 26 Del. C. §215(b) provides: (1) no entity shall acquire control, either directly or indirectly, of any public utility doing business in Delaware, without having first obtained the approval of the Commission; (2) control shall be presumed to exist if any such entity, directly or indirectly, owns ten percent or more of the voting securities of the public utility; and (3) the presumption of control may be rebutted by a showing that such ownership does not in fact confer control; and

WHEREAS, in its filing, Applicant represents: (1) as of September 30, 2015, it owned 8.47% of Chesapeake Utilities' voting securities; (2) its beneficial ownership is in the ordinary course of its business and is for investment purposes only without the purpose of changing or influencing the control of Chesapeake Utilities, which means that

under Securities and Exchange Commission ("SEC") rules, Applicant is eligible to file an SEC Schedule 13G, rather than a Schedule 13D; (3) there are no material relationships or bases for affiliations between Applicant and Chesapeake Utilities; (4) none of Applicant's investing clients will hold ten percent or more of Chesapeake Utilities' voting securities; (5) Applicant will not collectively own or hold more than twenty percent of Chesapeake Utilities' voting securities; (6) in 2006 the Federal Energy Regulatory Commission ("FERC") authorized Applicant to acquire not more than twenty percent of the voting securities of public utilities, with no single client holding ten percent or more - and that FERC extended such authorization for three years in 2010 and 2013; and (7) the FERC authorization was based on the same terms and conditions described by Applicant in its request before this Commission, including that it will be a non-controlling, passive investor; and

WHEREAS, in its filing, Applicant requests that it not be considered to control or be affiliated with Chesapeake Utilities because: (1) its beneficial ownership of Chesapeake Utilities' voting securities is for investment purposes only without the intent or effect of controlling or influencing the conduct of Chesapeake Utilities; (2) economic ownership of Chesapeake Utilities' voting shares is dispersed among more than twenty of Applicant's client accounts, which are managed by multiple portfolio managers who make independent investment decisions; (3) Applicant has not sought, nor does it intend, to appoint or have the right to designate any member of Chesapeake Utilities' board of directors; and (4) Applicant has no

material relationships or transactions with Chesapeake Utilities other than the ownership of Chesapeake Utilities' voting shares.

**NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE
OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 *Del. C.* §215(b), the Commission finds that Applicant has rebutted the presumption and that acquisition of up to twenty percent of Chesapeake Utilities' voting securities does not in fact confer control of Chesapeake Utilities so long as all representations and commitments made by Applicant, as outlined above, remain accurate.

2. If Applicant contemplates any change in the facts upon which the Commission makes its finding or intends to modify its SEC or FERC authorizations noted above, then Applicant shall return to the Commission prior to any such change either to seek authority for a change of control under 26 *Del. C.* §215(b) or to show cause why the proposed change or changes will not alter the rebuttal of the presumption herein. In particular, Applicant shall take no action related to Chesapeake Utilities that would cause it to be ineligible to file SEC Schedule 13G and would require it instead to file SEC Schedule 13D, without first returning to the Commission for further review under 26 *Del. C.* §215(b).

3. If Applicant returns to the Commission pursuant to Ordering Paragraph No. 2 above, then Applicant shall notify Chesapeake Utilities in writing simultaneously upon filing its request with the Commission.

4. The Commission reserves the jurisdiction and authority to enter such other or further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary